

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CM-437

For: State and County Offices

Peanut Reconstitutions and Peanut Quota Buyout Program

Approved by: Acting Deputy Administrator, Farm Programs



1 Peanuts and Reconstitutions

A

Background

The Farm Security and Rural Investment Act of 2002 (2002 Act) has made changes to the peanut program which affect reconstitutions on peanut farms.

B

Peanut Quota

Because of the 2002 Act, peanut quota is no longer maintained at the farm or tract level.

C

**Contribution
Factors**

Since peanut quotas no longer exist, resulting tracts and/or tracts on resulting farms may or may not have contribution factors present. In cases where a factor is present, it may not be correct. These "incorrect" factors do not have any effect on the peanuts on the farm since quota is no longer maintained.

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Disposal Date

December 1, 2002

Distribution

State Offices; State Offices relay to County Offices

6-21-02

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D

**Methods of
Division**

Since there is no quota to be divided, the methods of division will **not** be displayed for tract or farm divisions.

E

**Peanut Quota
Buyout Program**

For the purposes of making a peanut quota buyout payment, the automated peanut tract and farm records for crop year 2001 will be used. Future quota buyout software will allow County Offices to make necessary adjustments to correct quota pounds and owners.

Procedure for the buyout program will be provided in a future directive.
